

**INSTITUTE OF MANAGEMENT SCIENCES**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Now, for tomorrow



**INSTITUTE OF MANAGEMENT SCIENCES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2019**



Baker Tilly Mehmood Idress Qamar  
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## AUDITORS' REPORT TO THE GOVERNING BOARD

### *Opinion*

We have audited the accompanying financial statements of **INSTITUTE OF MANAGEMENT SCIENCES (Institute)** which comprises of statement of financial position as at June 30, 2019 and statement of comprehensive income, cash flow statement and statement of changes in funds for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **INSTITUTE OF MANAGEMENT SCIENCES (Institute)** as at June 30 2019, and of its financial performance, its cash flow and its fund for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

### *Basis of Opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further disclosed in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We were independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the relevant institute (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the institute's ability to continue as going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the institute or cease operations, or has no realistic alternative but to do so.

Board of Governance is responsible for overseeing the institute's financial reporting process.

### *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes an opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

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*B.Timp*

Baker Tilly Mehmood Idress Qamar, Chartered Accountants trading as Baker Tilly is A member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.



Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw our attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence up to the dates of our auditor's report. However, future events or conditions may cause the institute to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentations.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



*Baker Tilly Mehmoood Idrees Qamar*

**Baker Tilly Mehmoood Idrees Qamar**  
**Chartered Accountants**

Engagement Partner: Mr. Muhammad Abdur Rub Khan

Place: Peshawar  
Date: 21 DEC, 2020

**INSTITUTE OF MANAGEMENT SCIENCES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2019**

	NOTES	2019 RUPEES	2018 RUPEES Restated
<b>Non-Current Assets</b>			
Operating fixed assets	5	734,941,309	791,743,389
Work in progress	6	-	-
Intangible assets	7	2,768,752	3,235,360
Long term deposits	8	2,588,600	2,588,600
		<u>740,298,661</u>	<u>797,567,349</u>
<b>Current Assets</b>			
Short term investments	9	280,030,000	296,030,500
Advances, prepayments and other receivables	10	32,927,034	31,511,637
Cash & bank balances	11	232,542,861	271,580,255
		<u>545,499,895</u>	<u>599,122,392</u>
<b>Current Liabilities</b>			
Scholarships	12	73,524,046	96,469,712
Employee's benefit	13	108,170,793	84,494,419
Library security refundable	14	12,801,404	12,995,404
Accrued & other liabilities	15	53,060,229	86,741,206
		<u>247,556,471</u>	<u>280,700,741</u>
<b>Net Current Assets</b>		<b>297,943,424</b>	<b>318,421,651</b>
<b>Contingencies and Commitments</b>	16	-	-
<b>Net Assets</b>		<u><b>1,038,242,085</b></u>	<u><b>1,115,989,000</b></u>
<b>Financed by:</b>			
General fund		492,464,182	540,022,816
Restricted grants (Deferred income)	17	545,777,903	575,966,184
		<u><b>1,038,242,085</b></u>	<u><b>1,115,989,000</b></u>

The annexed notes form an integral part of these financial statements.

  
**CONTROLLER FINANCE**  
 Controller Finance  
 Institute of Management Sciences  
 Peshawar.

  
**DIRECTOR**  
 DIRECTOR  
 IMSciences Peshawar

**INSTITUTE OF MANAGEMENT SCIENCES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	NOTES	2019 RUPEES	2018 RUPEES Restated
<b>Income</b>	18	340,304,114	335,986,775
<b>Expenditure</b>			
Operational	19	480,458,603	396,756,467
Administrative	20	214,827,086	170,186,842
		695,285,689	566,943,309
<b>Deficit from operations</b>		<b>(354,981,575)</b>	<b>(230,956,534)</b>
<b>Other income</b>	21	42,367,290	42,497,947
		<b>(312,614,285)</b>	<b>(188,458,587)</b>
<b>Recurring grant</b>	22	270,121,211	277,222,824
<b>(Deficit) / Surplus for the year</b>		<b>(42,493,074)</b>	<b>88,764,237</b>
<b>Other Comprehensive Income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial (loss) / profit on remeasurement of post retirement benefits		(5,065,560)	-
<b>Total comprehensive (deficit) / surplus</b>		<b>(47,558,634)</b>	<b>88,764,237</b>

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**INSTITUTE OF MANAGEMENT SCIENCES**  
**STATEMENT OF CHANGES IN GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	<u>GENERAL FUND</u>
	<u>RUPEES</u>
BALANCE AS ON 30 JUNE 2017	451,258,579
Total comprehensive surplus for the year	88,764,237
BALANCE AS ON 30 JUNE 2018	<u>540,022,816</u>
Total comprehensive deficit for the year	(47,558,634)
BALANCE AS ON 30 JUNE 2019	<u>492,464,182</u>

The annexed notes form an integral part of these financial statements.

  
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**INSTITUTE OF MANAGEMENT SCIENCES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>2019</b>	<b>2018</b>
	<b>RUPEES</b>	<b>RUPEES</b>
		<b>Restated</b>
<b>Cash flows from operating activities</b>		
(Deficit) / Surplus for the year	(42,493,074)	88,764,237
<b>Adjustments for:</b>		
Depreciation on operating fixed assets	62,667,353	17,880,930
Amortization on intangible assets	1,186,608	1,386,583
Provision for employees gratuity	25,990,139	22,826,284
	89,844,100	42,093,797
<b>Operating Profit before working capital changes</b>	<b>47,351,026</b>	<b>130,858,034</b>
<b>(Increase) / decrease in current assets</b>		
Advances, prepayments and other receivables	(1,415,397)	14,484,122
	(1,415,397)	14,484,122
<b>Increase / (decrease) in current liabilities</b>		
Accrued & other liabilities	(33,680,977)	(29,169,366)
Scholarships	(22,945,667)	73,900,724
Library security	(194,000)	566,379
	(56,820,644)	45,297,737
<b>Net cash generated from operations</b>	<b>(10,885,015)</b>	<b>190,639,893</b>
Gratuity paid	(7,379,325)	(40,325,011)
<b>Net cash flows from Operating activities</b>	<b>(18,264,340)</b>	<b>150,314,882</b>
<b>Cash flows from investing activities</b>		
Addition in operating fixed assets	(37,472,599)	(40,057,207)
Addition in capital work in progress	-	(76,422,084)
Addition in intangible assets	(720,000)	(4,621,943)
Increase in long term deposits	-	(734,000)
Decrease in short term investments	16,000,500	(60,365,500)
<b>Net cash flows used in Investing activities</b>	<b>(22,192,099)</b>	<b>(182,200,734)</b>
<b>Cash flows from financing activities</b>		
Grant received for EIMS	1,419,045	5,360,857
<b>Net cash flow from financing activities</b>	<b>1,419,045</b>	<b>5,360,857</b>
Net increase in cash and cash equivalents	(39,037,394)	(26,524,995)
Cash and cash equivalents - at the beginning of the year	271,580,255	298,105,250
<b>Cash and cash equivalents - at the end of the year</b>	<b>232,542,861</b>	<b>271,580,255</b>

The annexed notes form an integral part of these financial statements.

  
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**INSTITUTE OF MANAGEMENT SCIENCES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**1 LEGAL STATUS & OPERATIONS:**

The Institute of Management Sciences (the Institute) is an autonomous body formed under a notification of the Government of N.W.F.P wide /SO(UE)1-47/98 dated June 12, 1999. Later on the Institute was granted the status as a statutory entity through the promulgation of the Institute of Management Sciences Ordinance, 2002 by the Governor of the N.W.F.P on October 02, 2002.

The Institute has launched a number of degree and post degree programs with the mission to be a centre for the transmission, diffusion and extension of knowledge and management studies and allied disciplines, catering to the high level professional and technical man power requirements both from the private and public sectors segments of the country.

**2 BASIS OF PREPARATION:**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with generally accepted accounting principles as applicable in Pakistan.

**2.2 Functional and presentation currency**

These financial statements are presented in Pakistan Rupees, which is also the Institute's functional currency. All the financial information presented in Pak rupee has been rounded-off to the nearest rupee.

**3 BASIS OF MEASUREMENT**

3.1 These financial statements have been prepared under the historical cost convention except as otherwise stated.

3.2 The preparation of the financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

The significant accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**4.1 Operating fixed assets**

Operating fixed assets are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged on reducing balance method at the rates stated in note 5.1 Depreciation on additions is charged from the day on which the asset is put to use and on disposals, up to the day the asset has been in use. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values and useful lives is recognized prospectively as a change of accounting estimate.

Disposal of assets is recognized when significant risks and rewards incidental to the ownership has been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts and are recognized in the statement of comprehensive income.

Subsequent costs are included in the assets' carrying amount and recognized as a separate asset as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income as and when incurred.

#### 4.2 Long term deposits

Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

#### 4.3 Advances, prepayments and other receivables

These are stated at their nominal values net off any allowance for uncollectable amount (if any). Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future.

#### 4.4 Investments

##### (i) Investments at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

##### (ii) Investments measured at amortized cost:

The financial assets are initially classified on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (iii) Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Gains or losses from changes in fair values are taken to equity until disposal at which time these are recycled to profit and loss account.

##### (iv) Loans and receivables

Investments are classified as loans and receivables which have fixed or determinable payments and are not quoted in an active market. These investments are measured at amortised cost using the effective interest method, less any impairment losses.

#### 4.5 Cash and Cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal amount. For the purpose of the statement of cash flows, cash and cash equivalent comprise of cash in hand and balance with banks.

#### 4.6 Creditors, accrued and other liabilities

Liabilities for creditors and other amounts payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the institute.

#### 4.7 Provisions

Provisions are recognized in the balance sheet when the Institute has a legal and constructive obligation as a result of past events and it is probable that the outflow of economic benefits will be required to settle the obligation and their reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

**4.8 Staff retirement benefits**

**4.8.1 Contributory provident fund**

The Institute operates contributory provident fund scheme for regular employees. Monthly contributions are made to the fund at 10% of basic salary both by the Institute and employees. The Institute's contribution is charged to the income and expenditure account.

**4.8.2 Gratuity fund**

The Institute also operates a gratuity scheme for its employees effective from July 01, 2010. The employees completing five (5) years continuous service with the Institute will be eligible for the payment of gratuity in accordance with the Employees Gratuity Fund Rules.

**4.9 Revenue recognition**

Income from students' fee is recognized as revenue over the period of instruction.

Income from examination fee, seminars and conferences are recognized as revenue when the examinations, seminars and conferences are held.

Return on investments and saving accounts is recognized on accrual basis with the assumption that investments will be realized on the respective maturity dates.

**4.10 Foreign currencies translation**

Transactions in foreign currencies are translated into Pak Rupee using the exchange rate prevailing at the dates of the transaction.

**4.11 Taxation**

The Institute being established solely for educational purposes and not for profit, has availed approval under sub section 36 of section 2 of Income Tax Ordinance 2001 for non profit organization. Section 100(C) "Tax credit for certain persons" of Income Tax Ordinance 2001 allows 100% tax credit on tax payable by non profit organization and hence income of the institute is not taxable.

**4.12 Appropriation of General Funds**

Appropriation of General Funds are recognized in the financial statements in the period in which these are approved.

**4.13 Grants**

**(i) Recurring grants received from donors**

These are presented as a credit in the income statement for the year.

**(ii) Restricted grants received from Government**

- (a) Grants related to assets are presented in the financial statements as "Deferred Income" and are recognized in the income statement on a systematic basis over the period in which the related costs are recognized as "expense".
- (b) Grants other than for assets are credited in the income statement of the year as "other income" to match the expenses covered against the grants.

**(iii) Restricted grants received from donors**

Grants received from donors are to be used in accordance with the stipulations attached therewith.

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INSTITUTE OF MANAGEMENT SCIENCES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

4.14 Restatement of comparative figures

During the year, the institute has conducted an actuarial valuation of Employee's Benefit as per IAS 19 "Employee Benefits" and prior year adjustment in present value of define benefit obligation and fair value of plan asset were identified. These adjustments are corrected retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Description	Balance as per Previous Financial Statements	Restated Balance	Net Effect
<b>2018</b>			
<b>Effect on statement of financial position</b>			
Employee benefits	91,604,556	84,494,419	(7,110,137)
<b>Effect on statement of comprehensive income</b>			
Staff gratuity (Operational expenses)	16,949,401	12,583,777	4,365,624
Staff gratuity (Administrative expenses)	10,662,010	7,917,496	2,744,514

4.14.1 Restatement of "Employee benefits" and "Staff gratuity" by Rs. 7,110,137 as per actuarial valuation report.

4.15 List of acronyms

BBA, BBA IT	Bachelor of Business Administration, Information Technology
BBS Banking & Finance	Banking and Business Solutions and Finance
BBS Evening	Banking and Business Solutions Evening
BBS Morning	Banking and Business Solutions Morning
BCS	Bachelor of Computer Science
B.Sc Economics	Bachelor of Science Economics
B.Sc Political Science	Bachelors in Political Science
B.Sc Social Science	Bachelors of Social Sciences
DIMS	Development of Institute of Management Sciences
IMS	Institute of Management Sciences
MBA ( Eve )	Master of Business Administration (Evening)
MBA Islamic Banking & Takaful	Masters in Business Administration (Islamic Banking & Takaful)
MBA ( M )	Master of Business Administration (Morning)
M.Sc Applied Economics	Master of Science Applied Economics
Ms Computer Science	Master of Computer Science
M.Sc Computer Science	Master of Computer Science
M.Sc Development Study	Master of Science Development Study
MS Economics	Master of Science Economics
M.Sc Finance	Master of Science Finance
MS IT	Master of Science Information Technology
MS Management	Master of Science Management
MS / MPhil English	Masters of Science in English
MS Project Management	Master of Science in Management
MS Development Studies	Masters of Science in Development Studies
MPA	Master of Public Administration
MPH	Master of Public Health
PhD Computer Science	Doctor of Philosophy in Computer Science
PhD Economics	Doctor of Philosophy in Economics
PhD Management	Doctor of Philosophy in Management
PhD Islamic Banking & Finance	Doctor of Islamic Banking and Finance



5 OPERATING FIXED ASSETS - at cost less accumulated depreciation

PARTICULARS	Building	IT Equipment	Library Books	Furniture & Fixture	Office Equipment	Vehicles	General	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>COST:</b>								
Balance as at July 01, 2017	418,134,887	121,403,247	6,103,943	44,567,877	49,698,476	31,855,597	26,726,913	698,490,940
Additions during the year	445,706,194	5,313,245	220,475	9,240,427	22,131,276	2,824,500	327,284	485,763,401
Deletion during the year	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	863,841,081	126,716,492	6,324,418	53,808,304	71,829,752	34,680,097	27,054,197	1,184,254,341
Balance as at July 01, 2018	863,841,081	126,716,492	6,324,418	53,808,304	71,829,752	34,680,097	27,054,197	1,184,254,341
Additions during the year	18,922,000	39,600	350,619	12,103,568	5,958,159	-	98,653	37,472,599
Deletion during the year	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	882,763,081	126,756,092	6,675,037	65,911,872	77,787,911	34,680,097	27,152,850	1,221,726,940
<b>ACCUMULATED DEPRECIATION:</b>								
Balance as at July 01, 2017	190,250,296	78,437,092	3,593,813	22,641,024	19,361,808	18,371,628	8,754,618	341,410,278
Charge for the year	22,788,459	12,965,537	389,559	3,768,368	5,754,595	2,699,889	2,734,266	51,100,674
Balance as at June 30, 2018	213,038,755	91,402,629	3,983,372	26,409,392	25,116,403	21,071,517	11,488,884	392,510,952
Balance as at July 01, 2018	213,038,755	91,402,629	3,983,372	26,409,392	25,116,403	21,071,517	11,488,884	392,510,952
Charge for the year	65,951,714	10,601,757	378,241	5,133,873	7,140,777	2,721,716	2,346,602	94,274,679
Balance as at June 30, 2019	278,990,469	102,004,385	4,361,613	31,543,264	32,257,180	23,793,233	13,835,485	486,785,631
<b>W.D.V:</b>								
As at June 30, 2019	603,772,612	24,751,707	2,313,424	34,368,608	45,530,731	10,886,864	13,317,365	734,941,309
As at June 30, 2018	650,802,326	35,313,863	2,341,046	27,398,912	46,713,349	13,608,580	15,565,313	791,743,389
<b>Annual rate of depreciation (%)</b>								
2019	10%	30%	15%	15%	15%	20%	15%	
2018	10%	30%	15%	15%	15%	20%	15%	

Depreciation is allocated as follows:

	2019	2018
Charged to IMS Operating expenses	62,667,353	17,880,930
Charged to EIMS & DIMS project	31,607,326	33,219,744
	<u>94,274,679</u>	<u>51,100,674</u>

EIMS & DIMS portion comprises of following

	2019	2018
IMS -EIMS (building)	-	-
IMS - DIMS (building)	11,807,303	13,119,226
IMS -EIMS (equipment)	19,098,866	19,098,866
IT equipment	701,157	1,001,653
	<u>31,607,326</u>	<u>33,219,744</u>

6 CAPITAL WORK IN PROGRESS - Civil Works

NOTES	2019 RUPEES	2018 RUPEES Restated
Balance as on July 01	-	369,284,110
Add: Additions during the period	-	76,422,084
		445,706,194
Less: Transferred to fixed assets	-	(445,706,194)
<b>Balance as on June 30</b>	<b>-</b>	<b>-</b>

6.1 The University transfers the completed assets from CWIP to Fixed Assets on the basis of availability of use in line with IAS - 16 'Property, Plant and Equipment.

7 INTANGIBLE ASSETS

Particulars	Amount in Rupees							
	Cost			Rate %	Amortization			W.D.V
	As on July 01	Additions/ (deletions)/ transfers	As on June 30		As on July 01	For the year	As on June 30	As on June 30
Firewall Software	3,296,943		3,296,943	30%	989,083	692,358	1,681,441	1,615,502
Campus Management Softwares	1,325,000	720,000	2,045,000	30%	397,500	494,250	891,750	1,153,250
<b>Total</b>	<b>4,621,943</b>	<b>720,000</b>	<b>5,341,943</b>		<b>1,386,583</b>	<b>1,186,608</b>	<b>2,573,191</b>	<b>2,768,752</b>

7.1 Intangible assets include Firewall software, KIOSK machine software, RFID software, Bus attendance software and Library management software.

**INSTITUTE OF MANAGEMENT SCIENCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT JUNE 30, 2019**

	NOTES	2019 RUPEES	2018 RUPEES Restated
<b>8 LONG TERM DEPOSITS</b>			
These include securities deposited as follows :			
Landlords of the rented premises	8.1	300,000	300,000
SNGPL - for gas connection		1,881,000	1,881,000
PESCO - for electric connection		407,600	407,600
		<b>2,588,600</b>	<b>2,588,600</b>

<b>8.1 Landlords of the rented premises</b>			
Haji Umer Khan-for institute premises		300,000	300,000
		<b>300,000</b>	<b>300,000</b>

**9 SHORT TERM INVESTMENTS - at amortized cost**

**Term Deposit Receipts:**

Allied Bank Limited		45,000,000	-
National Bank of Pakistan		50,000,000	95,000,000
Zaria Taraqiati Bank Limited		-	30,000,000
Bank of Khyber		20,000,000	20,000,000
<b>National Saving Certificates</b>		<b>165,030,000</b>	<b>151,030,500</b>
		<b>280,030,000</b>	<b>296,030,500</b>

**9.1 Date of maturity and markup on TDRs & National Saving Certificates**

Name of Institution	Amount	Date of Maturity	Interest rate
Allied Bank Limited	15,000,000	11-Dec-19	10.60%
Allied Bank Limited (FATA Grant)	30,000,000	11-Dec-19	10.60%
National Bank of Pakistan	20,000,000	02-Nov-19	8.90%
National Bank of Pakistan (FATA Grant)	30,000,000	30-Jun-19	6.65%
Bank of Khyber	20,000,000	27-Feb-20	11.00%
National Saving Certificates (FATA Grant)	18,381,500	18-Jun-20	11.73%
National Saving Certificates (FATA Endowment Fund)	11,820,500	02-May-20	11.73%
National Saving Certificates (FATA Endowment Fund)	134,828,000	06-Mar-20	19.50%
	<b>280,030,000</b>		

**INSTITUTE OF MANAGEMENT SCIENCES**  
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	NOTES	2019 RUPEES	2018 RUPEES Restated
<b>10 ADVANCES, PREPAYMENTS &amp; RECEIVABLES</b>			
<b>Advances (Considered Good)</b>			
Advances to staff for expenses		11,375,370	13,302,017
Withholding tax		89,341	-
		<u>11,464,711</u>	<u>13,302,017</u>
<b>Prepayments :</b>			
Vehicles insurance		436,031	446,676
<b>Receivables :</b>			
IMS Trust		327,200	-
Travel grant from HEC & others		2,986,748	1,893,319
Inter projects accounts receivable	10.1	7,721,269	5,930,022
Accounts receivable - <i>Others</i>		9,440,651	9,412,829
Receivable from students		550,424	522,794
Receivable from Askari General Insurance Company		-	3,980
		<u>21,026,292</u>	<u>17,762,944</u>
		<u>32,927,034</u>	<u>31,511,637</u>
<b>10.1 Inter project accounts receivable</b>			
Human Resource Development Center		4,871,704	4,871,704
DGPSM Project		21,871	21,871
US Access English Teaching Programme		40,000	435,453
Diploma in Public Sector Management		15,000	15,000
Centre for Public Policy and Research		63,012	23,012
Receivable from Project Account		-	562,982
Centre of Excellence in Islamic Finance		40,000	-
Receivable From Zero Semester for Afghan		2,589,682	-
Receivable From Joint Centre for Bio Economy		40,000	-
Higher Education Institute		40,000	-
		<u>7,721,269</u>	<u>5,930,022</u>
This amount represents dues receivable from the Institute's projects.			
<b>11 CASH &amp; BANK BALANCES</b>			
Cash in hand		9,930	-
<b>With banks:</b>			
<b>Local Currency:</b>			
Current accounts		59,676,571	63,273,999
Savings accounts		172,562,278	208,012,174
		232,238,849	271,286,173
<b>Foreign Currency:</b>			
Current accounts		294,082	294,082
		<u>232,542,861</u>	<u>271,580,255</u>



**INSTITUTE OF MANAGEMENT SCIENCES**  
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	NOTES	2019 RUPEES	2018 RUPEES Restated
<b>12 SCHOLARSHIPS</b>			
Tribal and other scholarships		1,563,700	853,560
Frontier education foundation scholarship		217,272	217,272
NBP Student Loan		96,000	-
Dr Hidayat Ullah need based scholarship		556,952	3,714,592
Prime minister scholarship		63,787,631	81,006,977
Students advancement scholarship (SAFE)		3,155,120	3,155,120
SAS memorial need based merit scholarship		29,342	117,344
President Directive Scholarship Payable		87,800	-
Worker welfare board scholarship		133,757	210,517
Ihsan trust merit scholarship		469,995	599,995
French need based scholarship		592,513	1,592,513
NTS need based scholarship		93,970	93,970
Chief minister scholarship		301,770	301,770
BOK scholarship		339,150	339,150
HEC USAID scholarship		503,057	2,235,622
Mareena Khan scholarship		8,525	8,525
Ms. Shandana Shoaib-IMS faculty scholarship		-	119,900
HEC indigenous scholarship		1,587,492	1,902,885
		<b>73,524,046</b>	<b>96,469,712</b>
<b>13 EMPLOYEE BENEFITS - PROVISION FOR GRATUITY</b>			
Present value of defined benefit obligation	<b>13.3</b>	200,178,787	167,383,153
Fair value of plan assets	<b>13.4</b>	(92,007,994)	(82,888,734)
		<b>108,170,793</b>	<b>84,494,419</b>
<b>13.1 Movement in Net (Assets) / Liability</b>			
Opening net (asset) / liability		84,494,419	101,993,145
Expense during the year		25,990,139	23,064,517
Other comprehensive income - OCI		5,065,560	-
Contribution during the year		(7,379,325)	(40,563,243)
		<b>108,170,793</b>	<b>84,494,419</b>
<b>13.2 Income / Charge for defined benefit plan</b>			
Current service cost		18,717,711	23,064,517
Past service cost		-	-
Net Interest cost		7,272,428	-
		<b>25,990,139</b>	<b>23,064,517</b>
<b>13.3 Changes in the present value of defined benefit obligation are as follows:</b>			
Present value of obligation as at beginning of the year		167,383,153	150,470,238
Current service cost		18,717,711	23,064,517
Interest cost		14,816,999	-
Benefits paid during the year		(5,499,670)	(6,151,602)
Actuarial (gain) or loss on obligation		4,760,594	-
Present value of obligation as at end of the year		<b>200,178,787</b>	<b>167,383,153</b>

**INSTITUTE OF MANAGEMENT SCIENCES**  
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	NOTES	<u>2019</u> <u>RUPEES</u>	<u>2018</u> <u>RUPEES</u> Restated
<b>13.4 Changes in the fair value of plan assets are as follows:</b>			
Total Assets as at beginning of the year		82,888,734	48,477,093
Expected return on plan assets		7,544,571	-
Contributions during the year		7,379,325	40,563,243
Benefits paid during the year		(5,499,670)	(6,151,602)
Actuarial gain or (loss) on assets		(304,966)	-
Total assets as at end of the year		<u>92,007,994</u>	<u>82,888,734</u>
<b>13.5 Actuarial valuation assumptions:</b>			
Valuation discount rate		14.25%	9%
Salary increase rate		13.25%	-
<b>14 LIBRARY SECURITY REFUNDABLE</b>			
Balance as at July 01,		12,995,404	12,429,025
Add: Received during the year		1,467,000	1,952,000
		<u>14,462,404</u>	<u>14,381,025</u>
Less: Paid during the year		1,661,000	1,385,621
Balance as at June 30,		<u>12,801,404</u>	<u>12,995,404</u>
<b>15 ACCRUED AND OTHER LIABILITIES</b>			
Accrued and other payables	15.1	14,109,698	22,436,739
Project payables	15.2	28,780,490	28,816,459
Hostel security refundable		202,000	-
ACE Arts (Pvt) Ltd.		889,211	889,211
Retention money <i>-refundable to contractors</i>	15.3	9,078,830	34,598,797
		<u>53,060,229</u>	<u>86,741,206</u>

**INSTITUTE OF MANAGEMENT SCIENCES**  
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	NOTES	2019 RUPEES	2018 RUPEES Restated
<b>15.1 Accrued and other payables:</b>			
Salaries payable		98,582	1,921,156
Other account payable		8,386,363	16,515,768
Rent payable to IMS Trust (hostel fee)		1,662,500	105,650
Income tax payable		1,258,198	759,625
Professional tax payable		14,000	211,200
Payable to students		1,158,180	1,409,130
NBP student loan		-	96,000
Sale tax payable		287,175	262,166
IMSciences Payable Water Charges		135,350	-
KPPRA tax payable		-	24,000
Stipend Payable to Student		155,950	-
Stamp duty payable		22,175	772,044
DPR Payable (EIMS)		780,725	-
Audit fee payable		150,000	360,000
		<b>14,109,198</b>	<b>22,436,739</b>
<b>15.2 Project payables</b>			
Payable to HRDC		999,031	-
Afghan Project Students Stipend		26,584,582	25,187,500
Other Project Payables		129,000	129,000
Afghan Project Students Scholarships		-	1,397,082
US Access English		-	1,015,000
Office of Research Innovation and Commercialisation		107,496	107,496
Career Development Centre		48,000	48,000
Journal of Business & Economics Review		912,381	932,381
		<b>28,780,490</b>	<b>28,816,459</b>
<b>15.3 Retention money - refundable to contractors</b>			
Security refundable to suppliers		188,675	188,675
Ghulam Habib & Co (Pvt) Limited		148,596	148,596
<b>EIMS-Retention Money</b>			
Gaggan Catering Services		300,000	300,000
Zain Ul Abideen Contractor		1,215,530	1,092,455
Nasrullah Jan Contractor		-	424,704
Jamal Khail Contractor		6,232,366	5,830,406
Jalat Khan Contractor		-	8,633,974
Ihsan Ullah Construction		-	10,139,263
Riaz & Sons		-	1,410,000
Allied Engineering Payable		-	1,090,000
Izhar & Brothers Enterprises		993,663	109,005
Zain ul Abideen & Sons		-	5,231,719
		<b>9,078,830</b>	<b>34,598,797</b>

**INSTITUTE OF MANAGEMENT SCIENCES**  
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**16 CONTINGENCIES & COMMITMENTS**

**16.1** The Institute was established in June 1999 and launched its operations at the University of Peshawar (UOP) staying there for eighteen (18) months before shifting to its rented Campus in year 2001. The Institute was initially charged a sum of Rs. 15.94 Million for availing facilities and services of teaching staff of UOP during that period, which was reduced to Rs. 7.60 Million through negotiations and a sum of Rs. 1.40 Million was paid subsequently. However, the matter is still not settled since the Institute has also filed a counter claim of Rs. 4.80 Million, comprising non payment of recurring grant of Rs. 3.98 Million and excess charges for facilities of Rs. 0.82 Million by UOP. No provision has been made in these financial statements.

**16.2** A case was filed in the court of Senior Civil Judge, Peshawar by the Institute for the recovery of security deposit of Rs. 300,000/- for the premises vacated by the Institute during October 2001. However the landlord has not refunded the security deposit despite decision of case in favor of the Institute. A petition has been filed by the Institute for performance of decree issued in favor of the Institute and the court's decision is awaited. No provision has been made in these financial statements against the doubtful recovery of deposit.

NOTES	2019 RUPEES	2018 RUPEES Restated
<b>17 RESTRICTED GRANTS (Deferred Income)</b>		
Balance as at July 01	575,966,184	603,825,071
Receipts during the year:		
HEC Grant for Enhancement Infrastructure Project	-	-
EIMS-Other payable (Net profit on bank)	1,419,045	5,360,857
FATA scholarship grant	-	-
	1,419,045	5,360,857
	577,385,229	609,185,928
Less: Transferred to Depreciation reserve	5 31,607,326	33,219,744
	31,607,326	33,219,744
Balance as at June 30	<u>545,777,903</u>	<u>575,966,184</u>
<b>18 INCOME</b>		
Tuition fee	18.1 284,052,645	294,914,300
Sale of prospectus	2,773,800	3,164,000
Hostel fee	14,198,950	14,446,300
Transportation fee	4,535,000	5,439,000
Miscellaneous	8,861,417	7,060,698
Income from projects	18.2 25,882,302	10,962,477
	<u>340,304,114</u>	<u>335,986,775</u>



**INSTITUTE OF MANAGEMENT SCIENCES**  
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	NOTES	2019	2018
		RUPEES	RUPEES
<b>18.1 Tuition fee</b>			<b>Restated</b>
BBA,BBA IT		70,303,139	68,405,447
BCS		16,415,836	14,940,900
BSc Economics		10,362,730	11,677,640
Bachelor of Software Engineering		28,429,820	31,462,620
BSc Social Science		14,287,260	13,538,780
MSc Applied Economics		-	320,580
MSc Computer Science		1,603,200	2,084,400
MSc Development Study		-	465,400
Ms Computer Science		4,568,140	2,891,760
MSc Finance		1,305,000	2,985,460
BBS Banking & Finance		201,800	431,050
BBS Morning		18,453,070	27,470,900
MBA 2.5 Years		8,418,980	10,920,770
BBS Evening		1,106,530	2,904,030
MBA 3 Semesters		41,374,170	35,647,920
MPH		2,781,190	4,872,960
MPA		4,472,940	7,010,780
MBA ( Eve )		72,500	8,500
MBA Islamic Banking & Takaful		2,167,020	3,778,070
BS Accounting & Finance		24,240,785	20,620,495
MS Project Management		5,070,990	3,236,290
MS Management		5,744,880	5,028,310
MS Economics		5,854,430	4,247,840
MS / MPhil English		139,050	185,400
MS Development Studies		3,479,210	3,064,240
PhD Economics		225,200	180,630
PhD Management		2,235,850	1,314,573
PhD Computer Science		-	300,530
PhD Islamic Banking & Finance		337,800	144,015
Degree Fee		1,236,400	1,449,000
Make-up / Course Repeat		11,313,820	16,476,000
MS Thesis Fee		-	20,000
		<u>286,201,740</u>	<u>298,085,290</u>
Less: Admission cancelled/ or refunded		2,149,095	3,170,990
		<u><b>284,052,645</b></u>	<u><b>294,914,300</b></u>
<b>18.2 Income from projects</b>			
Other projects		19,697,958	-
Human Resource Development Centre (HRDC)		1,690,836	141,397
US Access English Teaching Project (ETP)		2,830,399	1,035,000
Office of Research Innovation and Commercialization (ORIC)		587,828	137,879
Income From HEI Project		-	377,561
Income from project account		752,445	9,270,640
		<u><b>25,882,302</b></u>	<u><b>10,962,477</b></u>

**INSTITUTE OF MANAGEMENT SCIENCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	NOTES	2019 RUPEES	2018 RUPEES Restated
<b>19 OPERATIONAL</b>			
Salaries, honoraria & allowances		276,790,922	267,282,127
Staff gratuity		28,997,293	12,583,777
Occupancy cost		14,331,150	14,446,300
Utilities		25,101,733	21,117,982
Meeting, seminars & conferences		6,680,912	5,430,680
Student extra curricular activities		1,689,619	2,018,575
Cost of entry test		691,595	852,062
Supervision of thesis report		4,657,313	3,242,826
Gender based merit scholarship B.Sc Economics		366,300	1,431,900
Paper setting & checking		652,050	770,650
FATA scholarship expense		10,823,600	6,444,790
HEC need based scholarship expenses		1,976,200	742,800
DMC / degree verification charges		216,470	333,280
Convocation Expense		1,818,527	-
Other scholarships		20,579,026	21,784,535
IMS scholarship expenses		673,464	565,599
Computer accessories		252,806	148,240
Examination charges (Internal examiner)		440,690	451,862
Entertainment		220,947	255,029
Research & survey		3,491,803	2,684,150
Transport running expense		5,350,191	4,911,634
Contingency		232,324	66,726
Industrial trip / Exhibitions		261,959	140,150
Strengthening of QEC-IMSciences		536,412	1,002,298
ORIC expenses		-	360,000
Afghan student project expenses		8,974,576	7,677,392
Printing of prospectus		796,760	743,590
Amortization		1,186,608	1,386,583
Depreciation		62,667,353	17,880,930
		<b>480,458,603</b>	<b>396,756,467</b>
<b>20 ADMINISTRATIVE EXPENSES</b>			
Salaries, wages & benefits		158,898,880	136,658,922
Staff group insurance		427,110	419,520
Staff gratuity		9,256,521	7,917,496
Communication		10,768,994	5,600,263
Printing & stationery		5,520,494	3,030,220
Repair & maintenance		16,300,405	9,227,119
Insurance		750,604	461,098
Traveling & conveyance		170,028	214,020
Newspaper & periodicals		890,861	581,307
Legal & professional		700,000	45,000
Uniform & protective clothing		693,074	100,879
Audit fee		150,000	150,000
Advertisement & publicity		2,222,582	2,679,253
Miscellaneous		6,581,611	2,739,714
Bank charges & commission		1,495,922	362,031
		<b>214,827,086</b>	<b>170,186,842</b>

**INSTITUTE OF MANAGEMENT SCIENCES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	NOTES	2019 RUPEES	2018 RUPEES Restated
<b>21 OTHER INCOME</b>			
Profit on investments-NBP		19,709,103	10,027,201
Profit on investments-BOK		1,220,000	26,208,381
Profit on investments-ZTBL		1,692,125	-
Profit on bank accounts		12,623,455	4,297,992
		<u>35,244,682</u>	<u>40,533,574</u>
Other receipts		7,122,608	1,964,373
		<u>42,367,290</u>	<u>42,497,947</u>
<b>22 RECURRING GRANT</b>			
HEC recurring grant		225,313,000	214,617,000
HEC supplementary recurring grant		-	4,664,000
HEC tenure track grant		44,808,211	57,941,824
		<u>270,121,211</u>	<u>277,222,824</u>


**23 AUTHORIZATION OF FINANCIAL STATEMENTS**

These financial statements have been authorized for issue by the Director of the Institute on .....

**24 GENERAL**

- Figure have been rounded off to the nearest Rupees

- Figures of the previous year have been re-arranged and re-grouped wherever necessary for the purpose of comparison.

  
**CONTROLLER FINANCE**  
 Controller Finance  
 Institute of Management Sciences  
 Peshawar.

  
**DIRECTOR**  
**DIRECTOR**  
**IMSciences Peshawar**